

# STRATEGIC PLAN

1998-99 Revision

State Of California

**FAIR POLITICAL PRACTICES  
COMMISSION**

## EXECUTIVE SUMMARY

The 1998-1999 Strategic Plan of the Fair Political Practices Commission builds upon the foundation established in the 1997-1998 plan. Since actuating that plan, many of the Commission's objectives have been accomplished, especially in the area of technology, but much remains to be accomplished to achieve the Commission's continuing objective of ensuring the integrity of California's political system. This plan utilizes the framework of the initial plan to reorient and strengthen our commitment to certain continuing themes. It will be used by the Commission, its staff, and our constituents — the people of California — as a guide to more responsive service, better decision-making, and more effective planning.

This strategic plan outlines the goals and objectives we intend to accomplish over the next few years. We arrived at these goals and objectives after listening to our constituents, conducting internal and external workshops, and consulting with Commission personnel. In addition, the contents of this Plan were constructively influenced by the completion of a performance audit by the State Auditor, which led to several useful recommendations that we believe will improve the over-all efficiency, economy, and effectiveness of the Commission's activities.

Our goals, in broad terms, are to enhance the integrity of California's system of representative government by ensuring that public officials act on behalf of the public interest, seeking to prevent corruption of the political process by requiring that campaign finances and expenditures are fully and truthfully disclosed. By projecting greater confidence in the integrity of political institutions, it is our belief that citizen apathy and cynicism will recede, and the health of our representative system of government will flourish.

Building on the achievements of the 1997-1998 Plan, this Plan seeks to promote these goals through a renewed emphasis on effective, clear communication, not only within the agency, but also between the Commission and the Public. Our review uncovered a lack of awareness and understanding about the role of the Commission, and it is our intention that this unfamiliarity will be overcome with a more effective communications strategy. In addition, the State Auditor's report included several findings intended to improve our ability to measure the performance of the Commission. Principal among these findings was the conclusion that the Commission should enhance its internal control and accountability systems in order to improve the Commission's management capabilities. This Plan seeks to implement these recommendations.

In addition, we crafted this Plan in light of the on-going litigation regarding Proposition 208. This initiative measure, which was approved by the voters in a statewide general election held on November 5, 1996, added numerous provisions to the Political Reform Act of 1974. Since January, 1998, the Commission has been enjoined by the United States District Court, Eastern

District of California, from enforcing the provisions of this measure. Because of the procedural posture of the appeal currently pending before the Ninth Circuit, it is possible that significant portions of Proposition 208 may once again become enforceable by early 1999.

This Strategic Plan is a living document that will be reviewed and adjusted annually as the state of the law changes and the needs of our constituents dictate.

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**The Mission  
of the  
FAIR POLITICAL PRACTICES COMMISSION**  
**is to promote the integrity of representative state and local government  
in California through fair, impartial interpretation and enforcement  
of political campaign, lobbying, and conflict of interest laws.**

To further the principles of democratic, representative government  
expressed in the Political Reform Act  
the Members and the Employees of the FPPC commit to:

- Vigorously, fairly, and uniformly administer and enforce the Political Reform Act of 1974, as amended, in an impartial manner, free of bias
- Clarify the law with sound, consistent advice
- Develop clear, consistent and understandable regulations, forms, and instruction manuals
- Educate candidates, public officials, and the public about their role in protecting the integrity of our political system, our responsibilities to the citizenry, and the public's right to full disclosure
- Encourage and empower citizens to participate in the political process
- Maintain public trust by providing leadership and the highest ethical standards
- Serve the needs of the People by diligently pursuing innovative and responsive services
- Aggressively investigate and prosecute violations through reactive and proactive programs to ensure compliance with the law

## AGENCY DESCRIPTION

The Fair Political Practices Commission has primary responsibility for the impartial administration, implementation and enforcement of the California Political Reform Act of 1974, as amended by legislative and initiative enactments.

The purposes of the Political Reform Act of 1974 are to:

1. Ensure that election campaign contribution and expenditure data is fully, accurately and timely disclosed so that the voters may be fully informed and to inhibit improper financial practices;
2. Regulate the activities of lobbyists and disclose their finances to prevent any improper influencing of public officials;
3. Provide for the disclosure of assets and income of public officials that may affect their official actions to avoid any conflicts of interest;
4. Ensure that the state ballot pamphlet contains useful and adequate information so that the voters will not be entirely dependent upon paid advertising for information concerning state measures;
5. Eliminate laws and practices that unfairly favor incumbents to provide for fair elections; and
6. Provide adequate mechanisms to public officials and to private citizens to ensure vigorous enforcement of the law.

In 1996, California voters passed Proposition 208, the California Political Reform Act of 1996, which became effective January 1, 1997. Proposition 208 made extensive changes to the laws administered by the FPPC. The new law limited campaign contributions, established voluntary spending limits for all candidates, and imposed fund-raising time limitations to name only a few of the many changes accomplished. However, several organizations filed suit against the Commission to invalidate the new law. In January, 1998 a federal district court ruled that certain parts of Proposition 208 were unconstitutional and issued a preliminary injunction barring the Commission from enforcing any of the proposition. The Commission has appealed the ruling to the 9<sup>th</sup> Circuit Court of Appeals, but cannot enforce Proposition 208 until the injunction is lifted. A ruling on the scope of the injunction is anticipated by early 1999. Further litigation will, in all likelihood, ensue.

To meet its responsibilities under the Act, the Commission adopts and amends regulations. It also develops required forms, prepares manuals and instructions, provides written and oral

advice, aids agencies and public officials with record keeping and reporting, and maintains a central file of economic interest statements for certain state and local officials. The Commission also investigates possible violations of the Act, imposes sanctions against violators, and assists state and local agencies in the development and enforcement of conflict-of-interest codes.

The Commission's staff is organized into five divisions: enforcement, legal, technical assistance, administration, and executive. The enforcement division investigates and prosecutes administratively violations of the act. The legal division interprets the act by developing regulations and giving advice on specific sections of the act. It also represents the Commission in litigation. The technical assistance division trains and assists those governed by the Act and maintains the central file of economic interest statements for public officials required to file with the commission. The commission's budget, business services, data processing, and personnel functions are directed by the administration division. Finally, the executive division is comprised of the Chairman, who serves as the senior manager of the organization; the Executive Director, who also serves as senior administrator, the Legislative Coordinator; the Media Director; and the Assistant to the Chairman, who serves as Commission Secretary.

The Commission Chairman is appointed to a single four-year term by the Governor, and the Executive Director serves at the pleasure of the Commission. The Commission is composed of four commissioners, in addition to the Chairman, each of whom serve single four year terms upon respective appointment by the Attorney General, Controller, Secretary of State, and the Governor. The additional Governor's appointee must be from a party other than his or her own, and no more than three members may be from the same political party. The Chairman serves full time, and receives a salary equivalent to that of the President of the Public Utilities Commission. The other commissioners receive a per diem payment and expense reimbursement.

For fiscal year 1997-98, the Commission's budget was approximately \$6.1 million, with 81 budgeted positions. For fiscal year 1997-1998, the Commission's funding has been reduced to \$5,223,000, based on the decision of the federal court to enjoin the Commission from enforcing the provisions of Proposition 208. The Commission's budget is allocated from the State's General Fund, and is protected in part by certain statutory continuing appropriations.

## **FPPC PRINCIPLES**

The FPPC Principles are stated in the form of maxims that are used by FPPC members and employees as guideposts to their conduct. Using our "intranet," employees at all levels of the organization are encouraged to exchange views on the meaning, application, and reality of these precepts. They are more than mere positive rhetoric.

### **Integrity**

In all endeavors, act in an ethical, honest,  
and professional manner.

### **Quality**

Challenge the established way.  
Strive to meet internal and external customer's needs  
through innovation, competence, and teamwork.  
Seek to "do it right" the first time.

### **Respect**

Sensitivity to the needs of others, both within and outside  
the organization. Demonstrate courteous, considerate,  
responsive, and professional behavior.

### **Openness**

Willing to listen to and share information with others.  
Receptive to new ideas. Trusting of motivations.

### **Accountability**

Encourage leadership.  
Take ownership and responsibility for actions and their results.  
Accept both risks and rewards,  
trusting that good faith risks will not be punished.

## **SUMMARY OF INTERNAL AND EXTERNAL ASSESSMENTS**

In April 1998, the Joint Legislative Audit Committee directed the California State Auditor to conduct a performance audit of the Fair Political Practices Commission. In his May 28, 1998, report to the Legislature and Governor Pete Wilson, the State Auditor made the following findings and recommendations:

- The FPPC reasonably interprets the Political Reform Act as amended, through its regulations and advice.
- The growth in FPPC's expenditures have lagged behind the general rate of growth of other state agencies, which grew at an average annual rate of 9.6 percent since fiscal year 1975-1976.
- FPPC enforcement activities show no evidence of partiality.
- Greater effort and resources need to be applied to improving communication with persons affected by the PRA.
- An improved system is necessary to prioritize investigatory cases and assign investigatory staff to ensure that all cases are assigned on the basis of their relative merit rather than available resources.
- Clear criteria should be developed to target Franchise Tax Board audits toward cases warranting enforcement action.
- Additional customer input should be gathered in order to simplify its forms and reduce inquiries for technical assistance.
- Quantifiable goals and performance standards should be established for the Commission's operations.
- A system should be established to provide oversight of Statements of Economic Interests filing officers.

In addition to cooperating with the Bureau of State Audits, staff conducted a series of internal discussions regarding revisions to the strategic plan. Through these discussions, several broad themes emerged:

- FPPC Staff, while competently performing specific tasks, has difficulty articulating the overall role and mission of the agency.

- The public, the media, and to an extent, the Legislature misconceive the role of the Commission.
- More internal communication, across divisional lines and between division management and staff, will lead to a more effective implementation of the Political Reform Act.

In response to the recommendations of the State Auditor, and the themes that emerged from the internal discussions, this Strategic Plan revision proposes a three-prong approach. This Plan proposes:

1. A more effective communications strategy, in order to achieve a higher level of understanding of the role and responsibilities of the FPPC, both internally and externally,
2. Improved accountability, in order to achieve a better capability of judging objectively FPPC performance by defining output standards and resource expenditure measurements, and
3. A more streamlined and consistent approach to enforcement, to achieve a level of enforcement activity that provides education, deterrence and appropriate punishment.

## VISION STATEMENT

*To be the government agency trusted by the  
Electorate to sensibly, impartially interpret and  
enforce the laws governing the influence of  
money on the conduct of public officials.*

## GOAL ONE: TECHNOLOGY FOR CHANGE

### ***IMPROVE THE COMMISSION'S CAPABILITY TO TAKE ADVANTAGE OF ENHANCED TECHNOLOGY TO INITIATE AND MANAGE CHANGE EFFECTIVELY.***

#### ***Assessment:***

The 1997-1998 Goal entitled Technology actually contained many objectives that were more properly aimed at better communications with FPPC staff and customers. The 1998-1999 Revision to the Strategic Plan establishes a new Goal Five — Improved Communications — that directly confronts the need for the FPPC to better communicate its role, functions, and capabilities.

In this revision of the Strategic Plan, we narrow the tactics to those activities directly related to achieving the stated objective of improving the Commission's capability to take advantage of enhanced technology. Many of the 1997-1998 tactics have been implemented, or, in some cases, abandoned in the face of changed circumstances or legal impediments. This reorientation of the Technology goal will concentrate on factors involving the actual enhancement of FPPC technical capabilities.

During 1997-1998, FPPC computer capabilities have been continuously upgraded. Technical personnel have been hired to manage computer related activities, including computer and software maintenance, external connectivity, and FPPC's relations with Department of Information Technology (DOIT). Fiber-optic cable has been installed to our offices and email and Internet capability established. The FPPC web-site has been shifted from Department of General Services to our own equipment.

#### ***Objectives:***

- Develop a comprehensive multi-year Computer Operations Plan, including system inventory and architecture, operating and maintenance instructions, and decision avenues.
- 2. Conduct Feasibility Study in order to implement electronic filing of FPPC forms by the regulated public.
- 3. Develop new web-site format with capacity for links to external resources, and FPPC forms and manuals. (See 1997-1998 Strategic Plan Goal One, #10.)
- 4. Convert previous existing databases from Unix system to Microsoft Windows compatible software to permit more efficient data management. (See 1997-1998 Strategic Plan Goal One, #11.)



5. Convert internal recurring reports, statistics, and budget information to paperless formats to enable greater efficiencies. (See 1997-1998 Strategic Plan, Goal One #12.)
6. Develop training materials and conduct periodic training in effective use of software applications and Internet resources in relation to political ethics and campaign reform topics.
7. Develop criteria for establishing data base management system that will accomodate flexible and intelligent cross-file search capabilities.

***Measurement:***

- 1 The FPPC currently has ad hoc operating information regarding its computer system, but has no over-all Computer Operations Plan.

Measurement: Completion of a draft plan for Executive Approval and Commission review by January 15, 1999.

2. Obtain DOIT approval, hire consultant, conduct and complete study.

Measurement: Completion and receipt of Feasibility Study by September 17, 1999.

3. New FPPC web-site format approved by Executive Division.

Measurement: Functioning web-site by December 11, 1998.

## **GOAL TWO: IMPROVED SERVICE**

### ***TO CONTINUOUSLY IMPROVE THE QUALITY OF SERVICE TO OUR CUSTOMERS.***

#### ***Assessment:***

The 1997-1998 Strategic Plan listed many objectives to improve the quality and timeliness of the FPPC's dealings with our constituents, the people of California. Efforts to improve the timely response for public records resulted in the posting of documents into the agency's network so that they might be immediately "faxed on demand." Moreover, Technical Assistance Division added two consultants to its staff, and has arranged for the installation of a new, more efficient phone system that will allow the FPPC to better handle incoming calls for advice. The new phone system will allow coding and tracking of advice calls. With such information, the FPPC will be better able to address the needs of its customers by simplifying the forms and instructions which generate the greatest number of inquiries.

In addition, the FPPC's new website offers customers direct access to staff regarding their concerns and problems.

The 1997-1998 Strategic Plan also sought to increase the number of seminars conducted throughout the state each year. This objective was included as a result of the strategic planning customer survey conducted in 1996, following a year in which the Commission only conducted 44 such seminars. The Commission now accepts all requests for seminars that are cost-effective and is expected to conduct approximately 100 seminars this year.

The State Auditor also discussed the distribution of such a survey in his audit report, recommending that the FPPC continue to perform customer surveys, and advising the Commission to re-design these surveys to elicit more useful feedback from customers on the effectiveness of the Commission's efforts. This Strategic Plan proposes to implement this recommendation of the State Auditor and develop a tracking survey for distribution to the regulated community. (See Objectives, below.)

#### ***Objectives:***

1. Develop a service tracking survey for distribution to the regulated community, filing officers, and other persons interested in Commission activities.
2. Reduce and simplify forms and reports. (Most changes, however, require legislative changes to the Political Reform Act.)
3. Establish electronic filing of Form 700. (The Commission has submitted a BCP to Department of Finance to provide funding for the feasibility study required by DOIT

before the Commission can implement this objective.)

***Measurement:***

The FPPC currently has no on-going survey to track the service provided to the regulated community.

Measurement: Completion of a draft survey executive Approval and Commission review by January 15, 1999.

2. Obtain funds to conduct feasibility study for Electronic Filing.

Measurement: BCP submitted to Department of Finance on Sept. 14, 1998.

3. Install and operate new phone system.

Measurement: Initial installation of the phone system will occur on Sept. 21, 1998. Installation of the remain components to the system will occur in the following weeks.

4. Track advice calls.

Measurement: Preliminary survey of incoming calls, using phone system's coding capability, to be completed by January 15, 1999.

### **GOAL THREE: *UPGRADED STAFF DEVELOPMENT***

#### **TO UPGRADE AND IMPROVE STAFF DEVELOPMENT AND TRAINING TO ACHIEVE HIGHER EFFICIENCY, MORALE, AND PROFESSIONALISM.**

##### ***Assessment:***

The 1997-1998 Strategic Plan included several objectives to improve the professionalism and training of Commission staff. While much of the training related to educating Commission staff about the changes made to the Political Reform Act by Proposition 208, the 1997-1998 Plan also proposed the scheduling of senior managers in training seminars.

During the last year, senior managers have attended these seminars on an informal basis. In addition, the Chairman and Executive Director conducted a series of evaluations for all senior staff. These evaluations were then presented to the other Commissioners, and the senior staff were again interviewed. Through this process, the Commissioners were able to express their desires as to the direction the agency should take in the immediate future.

##### ***Objectives:***

- 1 Complete annual written performance standards and objectives for each classification.
- 2 Additional computer and communications training.

##### ***Measurement:***

1. Annual written performance standards and objectives.

Measurement: Completion of a draft standards and objectives for Executive Approval and Commission review by January 15, 1999.

2. Additional computer and communications training.

Measurement: Training for the new phone system will be conducted upon installation of the new system, expected late September, 1998.

## GOAL FOUR: IMPLEMENT PROPOSITION 208

### *TO MEET THE VOTER MANDATE OF PROPOSITION 208.*

#### *Assessment:*

In 1996, California voters passed Proposition 208, the California Political Reform Act of 1996, which became effective January 1, 1997. Proposition 208 made extensive changes to the laws administered by the FPPC. The new law limited campaign contributions, established voluntary spending limits for all candidates, and imposed fund-raising time limitations to name only a few of the many changes accomplished. However, several organizations filed suit against the Commission to invalidate the new law. In January, 1998 a federal district court ruled that certain parts of Proposition 208 were unconstitutional and issued a preliminary injunction barring the Commission from enforcing any of the proposition. The Commission has appealed the ruling to the 9<sup>th</sup> Circuit Court of Appeals, but cannot enforce Proposition 208 until the injunction is lifted. A ruling on the scope of the injunction is anticipated by early 1999. It is expected that further litigation will ensue.

#### *Objectives:*

To comply with the law.

#### *Measurement:*

Standards for measuring the Commission's success in implementing Proposition 208 will be developed following the lifting of the injunction of the Federal District Court.

## GOAL FIVE: COMMUNICATIONS

***TO ACHIEVE A HIGHER LEVEL OF UNDERSTANDING OF THE ROLE AND RESPONSIBILITIES OF THE FPPC, BOTH INTERNALLY AND EXTERNALLY.***

### ***Assessment:***

Currently, Commission staff communicate with the public, the media, other state agencies, local governments and the Legislature in the following manners and methods:

FPPC Bulletin and other newsletters

Written advice and formal opinions

Telephone advice

Enforcement Intake Receipt

Information pamphlets

Seminars and workshops

“Interested Persons” meetings

Commission meetings and special hearings

Regulations (notices)

Legislative Activities

Press Releases and interviews

Speeches at conferences and meetings

Litigation and amicus curiae briefs

Audits and investigations

Fax on Demand

FPPC Webpage ([www.fppc.ca.gov](http://www.fppc.ca.gov)) and email

Despite the wide variety of methods of communication, we believe that there remains (1) a lack of consensus among staff regarding the appropriate role of the Commission, and (2) a general misconception regarding the role of the agency among the public and in the media. In addition, we believe that more informal communication, across divisional lines and between division management and staff, will lead to a more effective implementation of the Political Reform Act.

### *Objectives:*

By implementing these proposals, we believe that Commission staff and the public will have a better understanding of the Political Reform Act and the role of the Commission. It is our hope that this better understanding will lead to the following outcomes:

The 1998-1999 Strategic Plan seeks to correct the foregoing shortcomings by means of the following methods:

- Develop a comprehensive, multi-year Communications Plan.
2. Publish a brochure about the Commission and its internal organization, which summarizes and in plain English explains the requirements of the Act. This will be especially useful to new Commission employees as they become more familiar with the Act and the responsibilities of the Commission.
3. Produce an explanatory brochure specifically for use by the media describing typical news lines and contact points.
4. Develop instructional videotapes to explain the most basic and most frequently used rules and regulations, along with an introduction to various reporting forms. These videotapes would be particularly helpful in the area of campaign disclosure and conflict of interest compliance.
5. Establish a toll-free telephone line for advice calls.
6. Schedule monthly staff meetings, within a week following each Commission meeting, to explain and review the significant Commission actions. Each division should also give a brief presentation on current developments. This would allow staff to be more aware of Commission activities outside their particular division.
7. Devise a system to mail or transmit campaign forms and manuals directly to filers. Among other things, this would ensure that current forms are being used by filers.
8. Advertise upcoming seminars in League of Cities, City & County Clerks and other newsletters.

9. Prepare "Op-Ed" pieces for newspapers, to be sent by the Chairman and Commissioners, providing the public with information regarding the Political Reform Act and current Commission activities.
10. Rotate personnel among the Commission's divisions.
11. Re-institute an internal newsletter covering current developments, personnel matters, and matters of interest to staff.
12. Establish "plain English" goals for all communications, and conduct appropriate staff oversight and training.
13. Utilize meetings of Commission and Commission Committees as events to focus attention on particular aspects of law or FPPC activities.

***Measurement:***

The FPPC currently has no comprehensive, multi-year communications plan that can provide discretion and guidance to all divisions regarding communications techniques, timing, and implementation.

Measurement: Completion of draft plan for Executive and Commission approval by June 30, 1999.

The FPPC currently has various documents that describe its purpose and functions, but they are often contained in special purpose publications, such as legislative or budget materials.

Measurement: Produce draft text and mock up for Executive Approval by October 15, 1998.

In addition, engaging in the activities outlined above will bring about the following desirable outcomes:

Increased compliance by persons, candidates, and committees regulated by the Act.

A reduction in the number of complaints received regarding activity over which the FPPC does not have jurisdiction.

Increased appreciation for the role and need for the Commission and the Political Reform Act.



Fewer additional requests for assistance where published manuals and advice letters provide sufficient guidance.

Enhanced relationship with the Legislature and Governor's office.

Stronger relationship with city and county filing officers.

## GOAL SIX: IMPROVED ACCOUNTABILITY

### ***TO ACHIEVE CAPABILITY OF JUDGING FPPC PERFORMANCE OBJECTIVELY BY DEFINING OUTPUT STANDARDS AND RESOURCE EXPENDITURE MEASUREMENTS.***

#### ***Assessment:***

In many areas, the Commission lacks a process to critically evaluate the services that it provides. The State Auditor found, for example, that at least one division “lacks critical management information that would be useful in establishing meaningful performance measures to assess its efforts.” In particular, the FPPC currently has no adequate means of defining baseline performance criteria so that achievement or deviation may be measured. Without knowing desired outcomes, the Commission is not able to improve its performance, justify the need for additional resources, or assess the need for revision of current practices.

Accordingly, standards and guidelines are necessary to address how each Division intends to fulfill its mission. Goals are necessary to establish the means and direction each division will take in meeting its responsibilities under the Act. Such targets, however, should not be arbitrary, but rather built upon the effort to improve the performance of each task.

#### ***Objectives:***

To measure the effectiveness of its enforcement, education and outreach efforts, and legal analysis, the commission needs to develop meaningful goals, objectives and performance measures.

#### ***Measurement:***

The Commission expects to establish meaningful goals, objectives and performance measures in the next year in order to implement the recommendations of the State Auditor.

## GOAL SEVEN: STREAMLINED ENFORCEMENT

***TO ACHIEVE A LEVEL OF ENFORCEMENT ACTIVITY THAT, IN A CONSISTENT AND TIMELY MANNER, PROVIDES EDUCATION, PUNISHMENT, AND DETERRENCE.***

### ***Assessment:***

The Commission's enforcement division investigates and prosecutes alleged violations of the Act. Examples of violations include concealing the true source of campaign contributions by making them through third parties (known as "money laundering"); failing to report contributions; or voting on a matter where a conflict of interest exists. Money laundering is regarded as the most serious violation, followed by conflicts of interest, and deficient campaign statement filings.

The division receives information about alleged violations through complaints from private citizens, anonymous parties, media stories, government agencies, and other audit agencies, including the Franchise Tax Board. The division's staff also generate internal complaints that initiate investigations to look for patterns of campaign money laundering.

After receiving a complaint, division staff initially evaluate the complaint to determine how to proceed. The division then takes one of four actions: performs preliminary work to determine if an investigation is warranted, opens an investigation, sends a letter of warning or a request for compliance, or takes no action. If the division decides to investigate a complaint, an investigator and attorney are assigned to the case. Instead of investigating the complaint, the division may send a warning letter to the violator or request that the violator amend his filings to comply with the law. Otherwise, the complaint is closed and no further action is taken.

In his report, the State Auditor concluded that weaknesses it perceived in the Commission's existing enforcement efforts may lead to inconsistencies in prosecutions and make the commission vulnerable to charges of bias. In particular, the State Auditor criticized the use of staff availability as one of the factors in selecting complaints to investigate rather than basing the decision on the merits of the complaint. As a result, the Auditor concluded, complaints with merit may not be investigated and the division may fail to take appropriate action against improper activities.

In addition, the State Auditor found Commission staff could (1) do more to ensure that audits of campaigns, candidates and lobbyists are cost-effective, (2) better ensure the prompt resolution of cases and (3) take steps to more accurately evaluate the effectiveness of enforcement activities.

While we did not entirely concur with the opinion of the State Auditor in respect to either the actuality of the processes employed to select cases or the inappropriateness of taking staff

availability into account, the Auditor's report highlighted important aspects of the operations of the Enforcement Division Director that need to be improved.

***Objectives:***

The 1998-1999 Strategic Plan seeks to correct the above noted shortcomings through the following methods:

- Promptly enter all complaints, including violations substantiated by the Franchise Tax Board (FTB), into its automated system.
2. Develop guidelines to assess the merit and severity of the complaints received.
3. Premise case openings and investigations on the merits of the complaints.
4. Ensure case files document reasons for each decision made on a complaint, whether it was opened for investigation, received a warning letter, or was closed.
5. Prioritize cases prior to assigning them for investigation based on their severity and merit.
6. Assign a mix of high and low-priority cases to investigators to maximize productivity and balance workloads.
7. Modify FTB materiality guidelines and audit guidelines.
8. Require investigators and attorneys to record their activities on each case using a chronology log, including reasons for delays in investigations. Monitor, and when necessary, adjust individual caseload to ensure prompt resolution of cases.
9. Maintain centralized log showing the date a complaint was received and the date that the statute of limitations will expire for each case referred for investigation and record staff time on weekly time sheets for review by management.
10. Develop goals and objectives supporting Enforcement Division's mission to promptly and impartially investigate alleged violations of the Act, including a goal of evaluating the merits of each complaint within 90 days of receipt.

***Measurement:***

1. Upon evaluation, all complaints are entered into both the CCI and Microsoft databases.  
Measurement: Accomplished.

## RESOURCE ASSUMPTIONS

Because the federal court enjoined the FPPC from enforcing Proposition 208, the Legislature substantially reduced its appropriation to the FPPC in fiscal year 1998-1999. Thus, while moneys were allocated to cover the legal and technical assistance costs of implementing Proposition 208, no moneys are appropriated to provide enforcement of the enjoined initiative measure. The FPPC has submitted several budget change proposals ("BCP") to the Department of Finance in order to augment the FPPC's appropriation in the 1999-2000 budget.

### *FINANCIAL AND FULL TIME EQUIVALENT POSITIONS:*

#### 1997-98 (Actual) \$5,810,000 — 70 FTE positions:

General fund:	\$6,050,000
Other Appropriated Funds:	
Other Non-Appropriated Funds:	N/A
Federal Funds:	
Total:	\$6,050,000

#### 1998-99 (Actual) \$6,050,000 — 68 FTE positions:

General Fund:	\$6,050,000
Other Appropriated Funds:	- 828,000
Other Non-Appropriated Funds:	- 146,061
Federal Funds:	
Total	\$5,075,939

#### 1999-00 (Estimate) \$5,075,939 — 68 FTE Positions:

General Fund:	\$5,075,939
Other Appropriated Funds:	N/A
Other Non-Appropriated Funds:	N/A
Federal funds:	N/A
Total:	\$5,075,939

## **SUMMARY OF 1999-2000 BUDGET CHANGE PROPOSALS** **(submitted September 14, 1998)**

### **Priority One - Project 2000<sup>1</sup>**

Create a database in Microsoft SQL that transfers old, critical data from an obsolete system to the current system. Our CCI system was abandoned by the software manufacturer (Progress) several years ago. We have no means to meet Project 2000 requirements since we cannot change the software. The data (all our Enforcement files and statutorily required filings) must be converted to the current local area network. The agency does not have the in-house capability to do the conversion and must contract for the work.

### **Priority Two - Electronic Filing Feasibility Study**

The Political Reform Act requires public officials to disclose personal financial interests in order to avoid conflicts. Thousands of these statements are filed with the FPPC on Form 700. In 1997, the Legislature enacted SB 49 establishing an electronic filing program for campaign and lobbying disclosure reports. The also states that Form 700's should be filed on line and placed on the Internet. A feasibility study is required by DOIT which this BCP would fund.

### **Priority Three - Additional Staffing for the Enforcement Division**

In May, 1998, the California State Auditor completed a detailed study of the FPPC at the request of the Joint Legislative Audit Committee. The study made numerous recommendations for improvement, primarily aimed at the Enforcement Division. This BCP would provide the funding to implement most of those recommendations.

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<sup>1</sup> This Budget Change Proposal was withdrawn by the FPPC from consideration by the Department of Finance.

#### **Priority Four - Additional Staffing for the Technical Assistance Division**

In May, 1998, the California State Auditor completed a detailed study of the FPPC at the request of the Joint Legislative Audit Committee. The study specifically recommended that the Technical Assistance Division simplify its forms and manuals, and establish a system to provide oversight of Statements of Economic Interests filing officers. This BCP would provide the funding to implement these recommendations.

#### **Priority Five - Additional Staffing for the Legal Division**

In November, 1996, the people of California passed Proposition 208, a campaign reform initiative. The FPPC requested and received additional funding to implement and administer the law. In January, 1998, the Federal District Court for the Eastern District temporarily stayed Proposition 208. The case was then appealed to the Ninth Circuit Court. It is believed that they will issue a decision this fiscal year, but in all likelihood, the court will remand the case back to the trial court for further proceedings. This could result in another evidentiary trial or might also require further appeals and certification of questions of state law to the California Supreme Court. This BCP would provide four limited term attorney positions to continue its defense of Proposition 208. The request would also make permanent two Proposition 208 support positions based on on-going workload, State Auditor recommendations and Proposition 208.

#### **Priority Six - Agency Security System**

This proposal would allow the FPPC to purchase equipment and made modifications to the building to improve security for agency personnel.

## APPENDIX A

### Performance Summary/Comparison

The following tables summarize the progress achieved by the Commission in carrying out the Goals established in the 1997-1998 Strategic Plan:

#### Goals of Strategic Plan

**GOAL I. Communications.** Achieve a higher level of understanding of the role and responsibilities of the FPPC, both internally and externally.

Goal	Leader(s)	Priority	Due	History	Current Status	Next Steps
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1(a.) Put advice letters on Westlaw.	Legal	Done	Currently done every Monday.	Previously, only letters posted were Prop 208 letters. Letters uploaded onto web site by DGS.	When advice letters are mailed out to requestor, a copy of the letter & a disk is Fed Ex to Westlaw.	Email will eliminate the need to make a hard copy and mailing materials by Fed Ex.
<b>Goal</b>	<b>Leader(s)</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Next Steps</b>
1(b.) Put advice letters on web site.	Legal	Suspended	Discontinued.	Only letters posted were Prop 208 letters. Letters uploaded onto web site by DGS.	Has been discontinued.	Determining if (non Prop 208) advice letters will be available via the web site.
2. Synopsis of advice letters in Bulletin.	Legal	Done	On-going	Extensions of advice letter and compiled into packet summaries.	Letters are categorized and TA uses summaries to create Bulletin.	Letters are copied and mailed to interested persons approximately once every 30 days.
3. Frequently asked Proposition 208 question placed on web site.	Legal	Suspended	Discontinued	Accomplished by the posting of Prop 208 advice letters.	Has been discontinued until further notice of Prop 208 case	Pending final decision regarding Prop 208.

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4. Proposition 208 litigation status report on web site.	Legal	Done	Updated as needed.		Update of litigation status is current.	Would like to expand upon litigation update info.
<b>Goal</b>	<b>Leader(s)</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Next Steps</b>
5(a.) Establish internet access for staff research.	Info Tech	Done	Division Heads and Executive Staff have Netscape. Additionally, 8 <sup>th</sup> Floor Library, 7 <sup>th</sup> Floor Enforcement have access.	Long and tortuous.	Division Heads, executive division have netscape browser.	Expand browser access to all desk-tops upon installing memory upgrade and Windows NT.

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5(c.) Establish email for advice.	Info Tech	In debate	Open, pending decision.	Pending decision of Legal Division to accept advice requests via email.	Pending decision of Legal Division to accept advice requests via email.	Legal Division must establish policy.
<b>Goal</b>	<b>Leader(s)</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Next Steps</b>
6(a.) Establishment of multi CD Rom driver for law desk.	Info Tech	Done	April 1997	14 Bay CD ROM Tower established in September.	Done.	None.
6(b.) Establishment of multi CD Rom driver for national telephone, address & street map directory.	Info Tech	Done	April 1997	Internet web-sites such as MapQuest!* provide this service at no charge.	No longer required.	Identify best site.
7(a.) Setup interface with contractual database of Legitech.	Enforcement	Done	April 1997	Installed for each investigator and accounting specialist.	System is working.	

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7(b.) Setup interface with contractual databases of Data Quick.	Enforcement	Done	April 1997	Installed for each investigator and accounting specialist.	System is working.	
<b>Goal</b>	<b>Leader(s)</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Next Steps</b>
7(c.) Setup interface with contractual databases of Westlaw.	Enforcement	Done	Oct. 1997	Set up for each investigator and accounting specialist.	System is working.	
7(d.) Setup interface with contractual database of the Federal Elections Commission	Enforcement	On-going	April 1997	Installed for each investigator and accounting specialist.		

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8(a.) Provide Enforcement staff access to restricted databases in DMV.	Legislative Coordinator	Currently working on.	Open	Info Tech have been working to give the Commission access. Access would allow Commission on-line search capability of contributors, reporting periods.	On-going effort to establish access.	
<b>Goal</b>	<b>Leader(s)</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Next Steps</b>
8(b.) Provide Enforcement staff access to restricted data bases in Secretary of State.	Legislative Coordinator	Currently working on.	Open	Enforcement has access to these records via telephone. On-line access would be more efficient.	Preparing application to DMV.	Submit application to DMV.

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8(c.) Provide Enforcement staff access to restricted data bases in Justice Department.	Legislative Coordinator	Currently working on.	Open	This would allow Enforcement to learn of individual's prior criminal history, especially dangerous history, when investigators are sent to people's homes.	DOJ has strict requirements regarding access, including absolute confidentiality of records and restricted access. Technical issues would need resolution, also.	Prepare application to DOJ to obtain access. Develop hardware necessary to network.
Goal	Leader(s)	Priority	Due	History	Current Status	Next Steps
9. Electronic filing of disclosure forms.	Technical Assistance and Info Tech	Waiting for Nov. elections result	Open	SB 49, passed in 1997, requires SOS to establish filing for campaign and lobbying disclosure forms.	FPPC is assisting SOS in development of electronic filing process. SOS is testing program in Nov. 1998 election.	Waiting for November election test results.

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10. Commission forms and manuals on web site.	Info Tech					
11. Convert previous existing data bases from Unix to Microsoft Windows '95.	Info Tech					
12. Internally convert recurring reports and statistics to paperless form to reduce time and money.	Info Tech					
13. Establish internal Commission wide calender for meetings, hearings, etc.	Info Tech	Done	Nov. 1997	Groupwise system installeed with proxy access for exeutive and availability for the hearing room.	Being used often.	Increase knowldege and usage of Groupwise functions.

**Goals of Strategic Plan**

**GOAL II. Improved Accountability.** Achieve capability of judging FPPC performance objectively by defining output standards and resource expenditure measurements.

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<b>Goal</b>	<b>Lead</b>	<b>Priority</b>	<b>Due</b>	<b>History</b>	<b>Current Status</b>	<b>Target</b>
1(a.) Improve timely response to complaints.	Enforcement and Technical Assistance	Oct. 1	On-going.	Often overwhelmed by number of calls.	New phone sytem being added to aid in directing calls.	By Oct 1, there will be a noticeable diff w/ FPPC response time.
1(b.) Improve timely response for public records.	Enforcement		On-going.	Upon request, reproduction of SEIs (Form 700) have a very fast turnaround time (24 hours).	Some of the most frequently requested SEIs filed with the Commission have been uploaded onto the agency network so that they may be immediately faxed upon demand.	Aim to get this info on web at some point.



1(c.) Improve timely requests for advice/assistance.	Technical Assistance	Oct. 1	On-going.	Proposition 208 increased dramatically the number of requests for advice.	TAD has added two (2) more consultants to its staff and, depending on the outcome of the 1998-1999 budget, intends to add two (2) more.	Phone system replacement will allow for a more efficient network.
2(a.) Publish and update current list of Enforcement delinquent fines.	Info Tech					
2(b.) Publish and update current list of Enforcement decisions.	Enforcement Division					

3. Conduct increased seminars.	Technical Assistance	On-going	Done.	This objective was included as a result of strategic planning customer survey, following a year in which the Commission only conducted 44 such seminars.	The Commission now accepts all requests that are cost-effective and will conduct approximately 100 seminars this year. Budget constraints do limit the agency from having even more seminars.	SOS is seeking to provide FPPC with mailing labels for candidates who file Form 501, so that FPPC may notify filers of upcoming seminars and thereby increase attendance.
5. Conduct annual customer surveys.	Executive	On-going	August 1998	Surveys have been sent out in past and received many responses.	New improved survey created addressing new issues, and way that agency can improve its service.	Implementing and noting suggestions from surveys.

6 (a.) Reduce and simplify forms and reports.	Technical Assistance; Legal Division	On-going	On-going.	<p>TA has significantly improved and simplified the statement of economic interests. However, the complexity of the law restricts further simplification of this form.</p> <p>Manuals are not easily updated. Many campaigns purchase campaign reporting software from private vendors, and changes to these forms result in increased costs to campaigns and committees.</p>	<p>staff currently nk intensive training courses on designing friendly forms and publications.</p>	<p>Ultimately, legislative changes will be required to reduce the detail of information that the law requires those subject to the PRA to disclose.</p>
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Goal	Lead	Priority	Due	History	Current Status	Target
6(b.) Establish electronic filing of Form 700.	Technical Assistance		Waiting for results of Nov. 1998 election.	FPPC is required to conduct a feasibility study for approval by DOIT before implementation begins.	Waiting DOF approval of BCP.	
7(a.) Assemble data on voluntary expenditure limits under Prop 208 guidelines.	Technical Assistance					Waiting for Proposition 208 court ruling.
7(b.) Publish information about Proposition 208 to jurisdictions affected.	Technical Assistance					Waiting for Proposition 208 court ruling.

**GOAL III. Streamlined Enforcement**

Goal	Leader(s)	Priority	Due	History	Current Status	Next Steps
1. Continuous staff updates on the status of Prop 208.	Legal					

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2. Contract for computer training.	Executive					
3. Increased opportunities for upward mobility.	Enforcement					
4(a.) Formal training for new staff with Prop 208.	Legal					
4(b.) Get new hires solid grounding in PRA.	Legal					
5. Conduct annual customer survey to determine effectiveness of meeting Commission's goals.	Executive					
6. Schedule senior managers to training seminars.	Executive					
7. Annual written performance standards and objectives for each classification.	Executive					

## **APPENDIX C**

### **Methodology Statement**

The 1998-1999 Revision to the Strategic Plan of the Fair Political Practices Commission was produced under the direction of the Chairman, James M. Hall. The proposals included in the Revision primarily came from two sources: (1) the May 1998 Report of the State Auditor regarding the Commission, and (2) several in-house, informal discussions focusing on the mission and principles of the agency. Of course, in completing this Revision, staff relied heavily on the 1998-1999 Plan and used that document as a template for 1999-2000 Strategic Plan. The writing of this plan was performed principally by Chairman Hall and Leon Page, Legislative Coordinator. The compilation of the performance chart (Appendix A) was accomplished by Diana Delker, Commission Secretary.



**FAIR POLITICAL PR/ ES COMMISSION  
ORGANIZATION CHART - JANUARY 1999**

